

CBS 13

Big Residential-Retail Project Could Reshape Sacramento

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SACRAMENTO (CBS13) — It could be a big boost to Sacramento's economy, but it could also be a very big risk: a multi-million dollar development in the heart of the city featuring new shops and apartments.

Holding a needle and thread for what they describe as the "next stitch" in downtown Sacramento's urban fabric, city officials and the development group held a groundbreaking Thursday for an 84-unit apartment building above 13,000 square feet of retail space.

"This is a great day," Councilman Rob Fong said.

They've already moved the dirt to start building the project at 16th and O streets. It's estimated to create 300 to 400 jobs by its completion date of mid-2013.

"Arguably this could be almost the new center of downtown-midtown," developer Scott Rasmussen said.

Rasmussen's development group is using its own money as well as bank financing to build the project. It's supported by leaders like Congresswoman Doris Matsui, who believes it's a boom — not a bust — to build it in the struggling economy.

"The planning is much more reasonable and careful now," she said. "People are not going to do things that aren't going to be successful."

Nathaniel Gallardo manages Mochi Yogurt just a block away from the project. The small shop has survived the recession while he's seen others in the area go.

"I think it'll be pretty easy to attract retailers, but I think the problem might be keeping them there," Gallardo said. "I don't think it's as high traffic as people might think."

Rasmussen said he's certainly aware of the risks.

"I wouldn't be a developer if I told you I didn't have some concerns about retail leasing, but we love this location," he said.

Only time will tell if this project will be seamless.

"I'd like to think they're hitting the economy at the right time," Fong said. "A year and a half from now, I think we'll be in good shape."